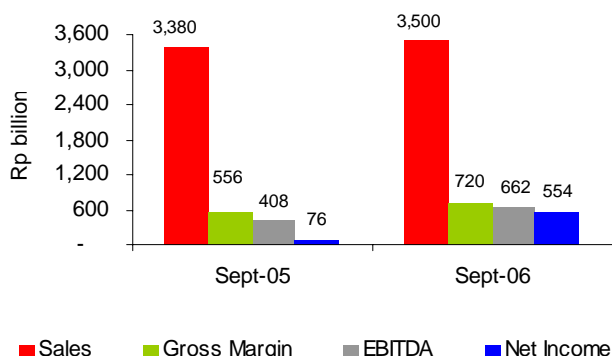


Performance Summary



During the nine months period ending September 30, 2006, the Company achieved its strongest financial and operational performance. Net income increased by 632.6% to Rp 554.12 billion compared to Rp 75.63 billion for the same period in 2005, resulting to positive retained earnings after experiencing negative retained earnings since 2000. This achievement was underpinned by historical high CPO production of 383,356 tons, 16.3% increase over last year.

As of September 30, 2006, total palm plantation hectares of the Company was 111,784 hectares, which include mature and immature, nucleus and plasma, as well as subsidiaries' estates. The area increased by 10.2% compared to last year.

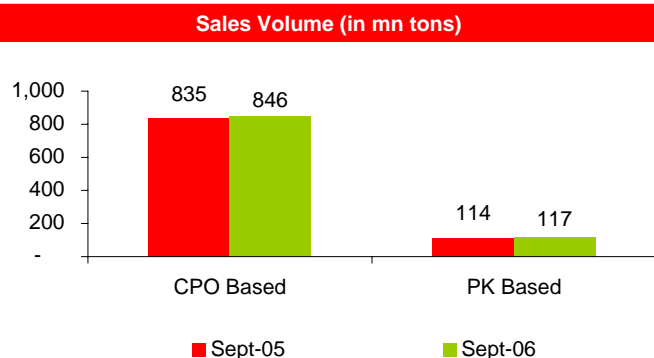
Production

Description	Sept 2005	Sept 2006	Growth
FFB production - ton	1,394,389	1,489,335	6.8%
Yield/ha - ton	15.1	16.3	8.0%
FFB processed - ton	1,416,400	1,645,749	16.2%
CPO produced - ton	329,527	383,356	16.3%
PK produced - ton	69,782	80,909	15.9%
Oil extraction rate - %	23.3	23.3	-
Kernel extraction rate - %	4.9	4.9	-

FFB production rose by 6.8% over the same period last year to 1,489,335 tons from 1,394,389 tons, in line with the increasing maturity profile of our plantations. FFB yield also increased to 16.3 ton/ha from 15.1 ton/ha. The increase in yields would have been higher if not because of the prolonged dry season which continued for the full month of September 2006. FFB processed rose by 16.2% to 1,645,749 tons with additional benefit from purchase from nearby plantations, resulting to an increase in CPO production by 16.3% to 383,356 tons and in PK production by 15.9% to 80,909 tons.

Oil and kernel extraction rate has remained unchanged compared to last year of 23.3% and 4.9% respectively.

Revenue



Total revenues grew by 3.6% to Rp 3,500.09 billion for the nine months period ending September 30, 2006 from Rp 3,379.79 billion for the same period last year. Revenue growth during this period was derived mainly from the increase in average selling prices and sales volumes by approximately 2%, respectively. During the nine months period ending September 30 2006, the average international CPO prices (FOB Belawan) went up by 6.1% to US\$ 397.2 per ton from US\$ 374.5 per ton for the same period last year. In terms of Rupiah, the price increase was about 1.1% since the Rupiah appreciated by 4.7% against the US\$.

Products	September 2005		September 2006	
	Rp bn	%	Rp bn	%
Cooking Oil	297.50	8.8	380.25	10.9
Margarine	165.59	4.9	171.35	4.9
Total Branded	463.09	13.7	551.60	15.8
Refined Product *)	1,670.10	49.4	1,674.14	47.8
CPO and non-refined product	1,209.57	35.8	1,236.53	35.3
Total Unbranded	2,879.67	85.2	2,910.67	83.2
Others	37.03	1.1	37.83	1.1
Total Sales	3,379.79	100.0	3,500.09	100.0

Product wise, our CPO-based and PK-based products enjoyed an increase in sales volume of 1.4% and 3.1% respectively. Export sales accounted for 42.1% of total sales compared to 44.1% for the same period last year.

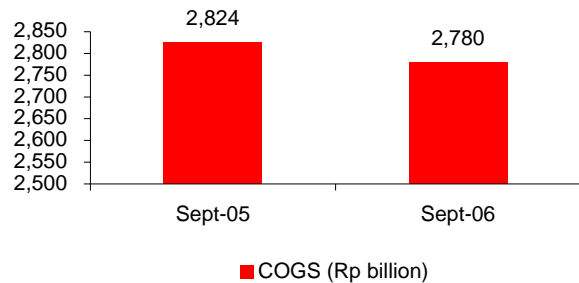
Sales of branded products showed an increase of 19.1% to Rp 551.60 billion from Rp 463.09 billion. This increase largely came from increase in cooking oil segments by 27.8%.

*) Starting 2006, sales to industrial consumer were categorized as unbranded refined product. The 2005 figures has been restated to reflect this change.

Sales of unbranded products slightly increased by 1.1% to Rp 2,910.67 billion from Rp 2,879.67 billion for the same period last year.

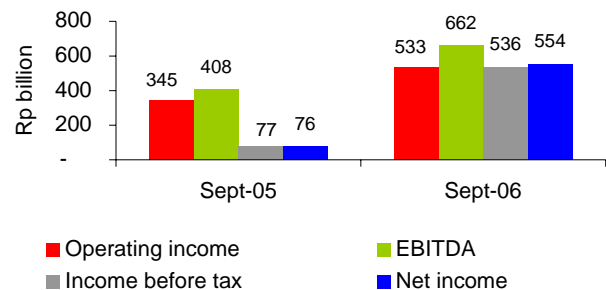
Cost of goods sold

Cost of goods sold for the nine months period ending September 30, 2006 slightly decreased by 1.6% to Rp 2,779.79 billion from Rp 2,824.10 billion for the same period last year, as a result of the Company's efficiency program which minimize the impact of higher fuel cost.



Operating income

The Company's operating income for the nine months period ending September 30, 2006 increased by 54.5% to Rp 533.25 billion from Rp 345.14 billion for the same period last year. This increase mainly resulted from the increase in gross profit by 29.6% to Rp 720.31 billion, and a decrease by 11.2% in the operating expenses to Rp 187.06 billion.



EBITDA

EBITDA for the nine months period ending September 30, 2006 increased by 62.3% to Rp 662.21 billion from Rp 407.96 billion for the same period last year, mainly as a result of the increase in operating income.

Income before tax

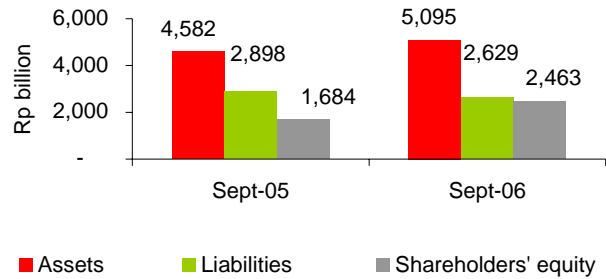
The Company's income before tax increased by 593.6% to Rp 536.42 billion for the nine months period ending September 30, 2006 from Rp 77.34 billion for the same period last year, mainly as a result of increase in operating income and a foreign exchange gain of Rp 79.04 billion compared to a loss of Rp 183.52 billion in last year.

Assets

The Company's total assets increased by 11.2% from Rp 4,582.05 billion in September 30, 2005 to Rp 5,094.77 billion in September 30, 2006.

The Company's current assets decreased by 2.0% from Rp 1,537.49 billion in September 30, 2005 to Rp 1,506.80 billion in September 30, 2006.

Its non current assets increased by 17.8% from Rp 3,044.55 billion to Rp 3,587.97 billion. The increase mainly resulted from the increase in immature plantation as a result of acquiring 2 new estates with planted area of almost 5,100 hectares and the on-going construction of a new refinery in Kalimantan.



Liabilities

Total liabilities as of September 30, 2006 decreased by 9.3% to Rp 2,629.01 billion from Rp 2,898.19 billion. Of this amount, total bank debts as of September 30, 2006 was Rp 1,041.11 billion, including new facilities obtained from Bank Ekspor Indonesia amounting to US\$ 25 million and a US\$ 40 million term loan facility from WestLB AG, Singapore Branch. The drawdown of these new facilities reflected the high trust of the local and international financial community on the Company.

As of September 30, 2006, the debt to equity ratio stood at 1.1, while annualized bank debts to EBITDA ratio is 1.2.

Shareholders' equity

Shareholders' equity at the end of September 2006 increased sharply by 46.3% to Rp 2,463.00 billion from Rp 1,683.85 billion at the end of September 2005. As a result of its current net profit of Rp 554.12 billion for the nine months period ending September 30, 2006, the Company's retained earnings returned to a positive position of Rp 89.89 billion.

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 2006 and 2005

	2006	2005
	Rp	Rp
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	102,017,456,492	346,950,533,692
Short-term investments	122,457,028,275	87,005,578,487
Trade accounts receivable		
Related parties	65,796,869,253	30,076,454,396
Third parties	202,346,271,839	216,788,611,688
Other receivables - third parties	43,419,571,590	37,132,444,925
Inventories	691,237,090,217	592,571,497,637
Prepaid expenses and other current assets	171,330,506,541	113,253,507,264
Prepaid Value Added Tax - net	108,196,504,865	113,715,400,728
TOTAL CURRENT ASSETS	1,506,801,299,072	1,537,494,028,817
NONCURRENT ASSETS		
Due from related parties	180,257,016,780	173,936,364,167
Deferred tax assets - net	75,117,117,792	32,352,937,249
Investments in shares of associates	339,320,781,442	438,511,710,776
Plantations		
Mature plantations - net of accumulated amortization	843,598,796,377	868,872,097,666
Immature plantations	167,713,181,108	45,489,147,777
Property, plant and equipment - net of accumulated depreciator	1,413,633,268,859	1,264,778,279,882
Intangible assets		
Goodwill - net	64,624,416,762	40,281,765,462
Brands and trademarks - net	6,295,781,250	7,058,906,250
Other assets		
Estimated claims for tax refund	93,322,796,060	24,963,846,947
Nursery	35,623,970,485	24,083,707,472
Deferred landrights - net	18,269,050,790	15,132,035,834
Software development cost - net	11,437,274,480	23,153,534,713
Other deferred charges - net	7,838,964,357	262,081,301
Others	330,918,747,094	85,675,674,418
Total Other Assets	497,410,803,266	173,270,880,685
TOTAL NONCURRENT ASSETS	3,587,971,163,636	3,044,552,089,914
TOTAL ASSETS	5,094,772,462,708	4,582,046,118,731

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 2006 and 2005

	2006	2005
	Rp	Rp
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short-term bank loans	238,263,000,000	8,248,000,000
Trade accounts payable		
Related parties	292,842,641,846	241,673,062,042
Third parties	152,927,822,369	149,786,781,012
Other payables		
Related parties	23,087,500,000	25,775,000,000
Third parties	32,472,008,090	33,855,484,104
Advances from customers		
Related parties	-	891,441,614
Third parties	8,882,253,818	29,996,868,227
Accrued expenses	45,915,610,807	88,170,908,190
Taxes payables	14,553,484,638	4,302,523,123
Current maturities of long-term debts	245,499,353,420	150,160,030,883
TOTAL CURRENT LIABILITIES	1,054,443,674,988	732,860,099,195
NONCURRENT LIABILITIES		
Deferred tax liabilities - net	139,296,069,084	187,557,396,484
Defined-benefit post-employment reserve	37,053,817,870	47,062,272,024
Long term debts - net of current maturities	557,350,110,822	430,953,612,452
Due to related parties	840,868,566,094	1,499,754,021,152
TOTAL NONCURRENT LIABILITIES	1,574,568,563,870	2,165,327,302,112
EXCESS OF EQUITY IN NET LOSSES OF AN ASSOCIATE OVER COST	2,751,136,726	-
MINORITY INTEREST IN NET ASSETS OF A SUBSIDIARY	10,000,000	10,000,000
EQUITY		
Capital stock - Rp 200 par value		
Authorized - 5,000,000,000 shares		
Issued and fully paid - 2,872,193,366 shares	574,438,673,200	574,438,673,200
Additional paid-in capital	1,662,472,039,200	1,662,472,039,200
Difference in foreign currency translation	106,871,858,889	124,803,855,578
Difference arising from changes in subsidiaries' equity	24,703,013,824	17,208,560,616
Difference arising from changes in associated companies' equity	16,610,904,426	9,710,073,443
Difference arising from restructuring transactions of entities under common control	(11,987,787,393)	(11,987,787,393)
Retained earnings (deficit)	89,890,384,978	(692,796,697,220)
TOTAL EQUITY	2,462,999,087,124	1,683,848,717,424
TOTAL LIABILITES AND EQUITY	5,094,772,462,708	4,582,046,118,731

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
Consolidated Statements of Income
For the Nine Months Period Ended September 30, 2006 and 2005

	2006	2005
	Rp	Rp
REVENUES	3,500,092,750,978	3,379,792,805,022
COST OF GOODS SOLD	<u>2,779,785,856,906</u>	<u>2,824,103,854,230</u>
GROSS PROFIT	<u>720,306,894,072</u>	<u>555,688,950,792</u>
OPERATING EXPENSES		
Selling	127,249,143,818	114,035,001,161
General and administrative	<u>59,809,986,816</u>	<u>96,514,030,924</u>
Total Operating Expenses	<u>187,059,130,634</u>	<u>210,549,032,085</u>
INCOME FROM OPERATIONS	<u>533,247,763,438</u>	<u>345,139,918,707</u>
OTHER INCOME (EXPENSES)		
Gain (loss) on foreign exchange - net	79,044,327,840	(183,516,944,976)
Interest income	12,436,896,758	7,357,768,040
Equity in net profit of associates - net	5,587,557,054	8,562,778,935
Interest and other financing charges	(97,261,927,615)	(98,686,296,265)
Miscellaneous - net	<u>3,366,166,436</u>	<u>(1,513,958,058)</u>
Other Income (Expenses) - Net	<u>3,173,020,473</u>	<u>(267,796,652,324)</u>
INCOME BEFORE TAX	536,420,783,911	77,343,266,383
TAX EXPENSE (BENEFIT)		
Current	4,192,904,469	-
Deferred	<u>(22,403,924,026)</u>	<u>1,709,260,736</u>
	<u>(18,211,019,557)</u>	<u>1,709,260,736</u>
INCOME BEFORE PRE-ACQUISITION INCOME	554,631,803,468	75,634,005,647
PRE-ACQUISITION INCOME	<u>(514,063,979)</u>	<u>-</u>
NET INCOME	<u>554,117,739,489</u>	<u>75,634,005,647</u>
BASIC EARNINGS PER SHARE	<u>193</u>	<u>39</u>

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Nine Months Period Ended September 30, 2006 and 2005

	Capital Stock	Additional Paid-in Capital	Difference in Foreign Currency Translation	Difference Arising from Changes in Subsidiaries' Equity	Difference Arising from Changes in Associated Companies' Equity	Difference Arising from Restructuring Transactions of Entities Under Common Control	Retained Earnings (Deficit)	Total Equity
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of January 1, 2005	297,360,000,000	-	107,540,732,278	17,208,560,616	9,710,073,443	(11,987,787,393)	(768,430,702,867)	(348,599,123,923)
Debt to equity conversion	277,078,673,200	-	-	-	-	-	-	277,078,673,200
Additional paid-in capital	-	1,662,472,039,200	-	-	-	-	-	1,662,472,039,200
Translation adjustment	-	-	17,263,123,300	-	-	-	-	17,263,123,300
Net income for the period	-	-	-	-	-	-	75,634,005,647	75,634,005,647
Balance as of September 30, 2005	<u>574,438,673,200</u>	<u>1,662,472,039,200</u>	<u>124,803,855,578</u>	<u>17,208,560,616</u>	<u>9,710,073,443</u>	<u>(11,987,787,393)</u>	<u>(692,796,697,220)</u>	<u>1,683,848,717,424</u>
Balance as of January 1, 2006	574,438,673,200	1,662,472,039,200	116,703,860,204	24,703,013,824	26,467,936,017	(11,987,787,393)	(464,227,354,511)	1,928,570,380,541
Translation adjustment	-	-	(9,832,001,315)	-	-	-	-	(9,832,001,315)
Difference arising from changes in associated companies' equity	-	-	-	-	(9,857,031,591)	-	-	(9,857,031,591)
Net income for the period	-	-	-	-	-	-	554,117,739,489	554,117,739,489
Balance as of September 30, 2006	<u>574,438,673,200</u>	<u>1,662,472,039,200</u>	<u>106,871,858,889</u>	<u>24,703,013,824</u>	<u>16,610,904,426</u>	<u>(11,987,787,393)</u>	<u>89,890,384,978</u>	<u>2,462,999,087,124</u>

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Nine Months Period Ended September 30, 2006 and 2005

	2006	2005
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3,437,476,374,478	3,325,691,734,212
Cash paid to suppliers, contractors, employees and others	<u>(3,357,022,900,951)</u>	<u>(3,155,833,926,914)</u>
Cash generated from operations	80,453,473,527	169,857,807,298
Payment of taxes - net	(93,655,648,567)	(61,725,403,273)
Payment of interest - net	<u>(121,788,982,969)</u>	<u>(55,323,356,004)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(134,991,158,009)</u>	<u>52,809,048,021</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of cash dividend	96,750,000,000	-
Proceeds from sale of property and equipment	11,869,246,613	4,187,112,450
Net increase in short-term investments	(1,270,477,205)	(66,728,720,884)
Net increase in nursery	(16,294,958,255)	(6,002,127,167)
Payment for acquisition of a subsidiary net of cash balance at acquisition date	(30,228,072,023)	-
Acquisition of property, plant and equipment and additional plantation estates	(212,089,006,200)	(254,590,575,858)
Net increase in time deposits - related party	-	217,428,579,041
Decrease in investments in associates	-	450,000,000
Net Cash Used in Investing Activities	<u>(151,263,267,070)</u>	<u>(105,255,732,418)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional long-term debts	364,528,000,000	-
Additional due to related parties - net	179,418,653,192	186,677,750,295
Payments of long-term debts	(113,096,544,394)	(16,345,007,822)
Payments of due to related parties	(425,932,720,000)	-
Additional short-term loans	-	7,832,000,000
Net Cash Provided by Financing Activities	<u>4,917,388,798</u>	<u>178,164,742,473</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(281,337,036,281)	125,718,058,076
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>383,354,492,773</u>	<u>221,232,475,616</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>102,017,456,492</u></u>	<u><u>346,950,533,692</u></u>